

AR30

1984
ANNUAL
REPORT



Bank of
British
Columbia

Canada's Western Bank

Annual Statement Highlights

(in thousands of dollars except per share amounts)

	1984	Pro Forma 1984	1983
TOTAL ASSETS	\$3,067,349	\$3,240,867	\$3,057,771
TOTAL DEPOSITS	2,892,389	2,976,376	2,798,648
LOANS	2,490,114	2,623,594	2,380,481
SECURITIES	239,331	237,091	242,217
NET INCOME (LOSS)	(6,990)	(6,990)	12,126
NET INCOME (LOSS) PER COMMON SHARE	(2.01)	(2.00)	2.20
CAPITAL AND RESERVES	74,763	161,393	135,502
NUMBER OF COMMON SHARES ISSUED	5,169,526	19,615,239	5,169,526
DIVIDENDS PAID			
— PREFERRED, SERIES A	1,649	1,649	1,702
— PREFERRED, SERIES B	1,776	1,776	541
— COMMON	1,861	1,861	3,182
DIVIDENDS PAID PER SHARE			
— PREFERRED, SERIES A	2.28	2.28	2.28
— PREFERRED, SERIES B	2.22	2.22	0.68
— COMMON	0.36	0.36	0.72

Certain of the transactions forming part of the financial restructuring package were not completed until after October 31, 1984. However, since these transactions were an integral part of the restructuring and in order to give a fair presentation to the complete restructuring package, pro forma figures have been provided which give effect to these transactions as if they had been completed on October 31, 1984.

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A Message to Shareholders

Our Bank enters the 1985 fiscal year positioned to return to profitability with a solid financial base from which we can grow aggressively as Canada's Western Bank.

Your Board of Directors believes there is reason to expect slow but steady improvement in the economies of British Columbia and Alberta, which constitute our Bank's principal market. We are convinced that steps initiated during the latter part of fiscal 1984 have placed the Bank of British Columbia in a strong position to assist and to participate fully in that improvement.

This has been achieved at some cost, as demonstrated by the 1984 results. Nonetheless, with the support of our shareholders, including those who have made significant new commitments to our Bank through subscriptions to a common share issue in October, 1984, we look to the future with confidence.

While our focus is on the future, a brief review of 1984 is in order to explain why your Board has such confidence in the year ahead following three years of significant loan losses and a net loss in 1984 of \$7 million.

It is unreasonable to assume that any bank could perform better than its customers for a protracted period of time. Our Bank's results reflect the experience of our customers, many of whom were hurt financially by the economic downturn in British Columbia and Alberta, where real estate values in particular were hit hard.

Loan loss experience was heavy in 1982, 1983 and 1984. So was the Bank's cost of funding the portfolio of non-performing loans — essentially loans where interest due has not been collected for at least 90 days — which on a net basis, reached a peak of more than \$122 million in the third quarter of 1984.

Extraordinary measures were required and, on October 29, 1984, our Bank announced a financial restructuring. This has eliminated virtually all of our non-performing and questionable real estate loan portfolio, increased our capital base and positioned our Bank to become profitable again.

The restructuring has four main elements:

- First, a private placement of 12 million common shares, at \$6 per share.
- Second, our merging with BBC Realty Investors, a real estate investment trust (REIT) to which the Bank was the adviser and in which the Bank held approximately 7% of the units.
- Third, the sale of a package of assets including virtually all of the Bank's non-performing and questionable real estate loans and securities.
- Fourth, a public offering of common shares to be completed in January of 1985.

The net result of the first three elements of this restructuring was to increase our Bank's capital and reserves to \$161.4 million from the October 31, 1983 level of \$135.5 million.

The infusion of \$72 million in new capital through the private placement was a key element in the restructuring. This was completed October 31, 1984 and closed November 22, 1984, the day after a

special general meeting of shareholders gave approval, by more than 99% of the shares voted, to a By-law change which removed the 10 million limit on the number of authorized shares and to an increase in the Bank's authorized capital from \$250 million to \$500 million.

The Bank's merger with the REIT increased our Bank's capital base by an additional \$14.7 million.

The disposition of the real estate package, at a loss to our Bank of \$45.8 million, in effect turned \$108 million of non-performing and problem assets into \$62.2 million in performing assets, with a consequent improvement in earnings.

In addition to the transactions outlined above, your Board of Directors has approved a public offering of common shares during January, 1985. This offering, if fully subscribed, will add an additional \$114 million to our Bank's capital stock.

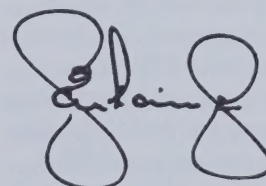
The offering will have a maximum of 19 million common shares, with common shareholders of record as of November 7, 1984 having first opportunity to subscribe on the basis of three new shares for each one share held. The price will be \$6, the same as in the earlier private placement.

Your Directors are grateful to you and our other shareholders for your support and confidence during this recent difficult period. As well, we very much appreciate the tremendous help from the excellent people within the Bank who have been most effective in accomplishing this restructuring in a very short period of time and continue to work hard to fulfill our shared belief in the future of our Bank.

Our Bank welcomes the election of three new Directors, Mr. Allan S. Olson, President of Stuart Olson Construction Ltd. of Edmonton, Mr. David S. Lam, Chairman and President of Canadian International Properties Ltd. of Vancouver, and Mr. Victor Dobb, an Executive Vice-President of our Bank, to your Board. The Board would also like to acknowledge the distinguished service of two former members — Mr. G. Buchan McIntosh, Q.C., and The Honourable Thomas A. Dohm, Q.C., both Board members since 1972 — who have retired. As well, Mr. J. Bruce Smith, who joined the Board in 1967, and Mr. Donald M. Clark, Q.C., who has been Secretary of the Bank since 1967 and was elected a Director in 1968, have decided not to stand for re-election at our Annual General Meeting on January 31, 1985. We extend a warm welcome to our new Board members, and the Bank's special thanks to those departing members who have provided our Bank with their support and service for so many years.

Our Bank will be putting a special emphasis on automation in 1985 — to increase customer service through "on-line banking" and automated banking machines, and to improve our management information systems. We are moving rapidly in these areas, and capitalizing on the new technology now available at lower unit costs. Rapid development in these areas will be costly in the short run, but will keep our Bank at the forefront of retail banking in Western Canada.

Our Bank now is well capitalized and has a very solid base from which to support and grow with our customers. We believe in the people and the assets of Western Canada. We intend to grow as an independent, aggressive and innovative western-based financial institution. The Bank of British Columbia — Canada's Western Bank.



Edgar F. Kaiser, Jr.
Chairman, President and
Chief Executive Officer

Financial Review

Financial Restructuring

The most significant event of fiscal 1984 was the financial restructuring undertaken by the Bank during October. The restructuring raised a substantial amount of new common share capital and, at the same time, disposed of non-performing loans and other assets.

The restructuring involved a private placement of common shares, the merger between the Bank and BBC Realty Investors (the "Trust") and the sale (the "Asset Sale") by the Bank of a portion of its non-performing loan portfolio and certain securities to Ormskirk Investments Ltd.

The private placement of common shares generated \$72 million in new capital for the Bank. The merger between the Bank and the Trust resulted in an additional \$14.7 million worth of common shares being issued. The Asset Sale resulted in \$108 million of non-performing and other problem loans being sold for \$62.2 million with the resultant loss of \$45.8 million being added to the Bank's loan loss experience. The latter increased the provision for loan losses by \$9.4 million.

Certain points of the financial restructuring package were not completed until November 22, 1984 and therefore could not be included in the October 31, 1984 figures. Due to the significance of the restructuring package, and in order to provide the fairest presentation of the Bank's financial situation, pro forma consolidated financial statements have been presented which give effect to the complete restructuring package as if it had been completed on October 31, 1984. A full discussion of this subject is contained in Note 1 to the Consolidated Financial Statements. As the pro forma figures are deemed to be the more meaningful, the commentary that

follows will be based on the pro forma figures and not the October 31, 1984 figures.

The final step in this restructuring is a public offering of common shares in January, 1985. The Bank's intention is to offer a maximum of 19 million common shares at \$6 per share and thereby raise an additional \$114 million in capital. The Bank intends to give first priority for the purchase of these common shares to common shareholders of record as of November 7, 1984.

Net Income

The Bank sustained a loss of \$7.0 million for 1984, compared with 1983 net income of \$12.1 million. After allowing for the payment of dividends on the Bank's preferred shares, the 1984 results represent a loss of \$2.00 per common share, compared with earnings of \$2.20 for 1983.

The Bank's Domestic Operations incurred a loss of \$8.8 million in 1984, compared with net income of \$9.7 million in the previous year. The deterioration resulted from a decline in net interest income and an increase in the loan loss provision, a major portion of which was caused by the Asset Sale discussed under "Financial Restructuring".

The Bank's International Operations contributed \$1.8 million to net income in 1984, down \$0.6 million from 1983 as a result of an increase in provision for loan loss. The latter was mainly due to the establishing of a prudential provision for losses related to sovereign risk loans to countries which have encountered problems in servicing their external debt or, over the last few years, have restructured all or part of that debt.

Assets

The Bank's total assets increased 6.0%, to \$3,241 million at October 31, 1984 from \$3,058 million at October 31, 1983. The assets employed by the Bank's

International Operations increased by \$23 million, or 3.5%, to \$674 million at year-end. Domestic Assets increased \$160 million, or 6.6%, to \$2,567 million at October 31, 1984.

Net Interest Income

The Bank's taxable equivalent net interest income decreased by \$27.5 million, or 23.7%, to \$88.3 million in 1984. Net interest income from International Operations, at \$8.9 million for 1984, was down slightly from the \$9.0 million level of 1983. In Domestic Operations, however, the 1984 level of \$79.4 million was \$27.4 million, or 25.7%, below that of 1983.

The reason for the decline in Domestic Operations net interest income was a 117-basis point drop in spread to 3.19% in 1984. The most significant factor behind the spread reduction was the change in interest rate environment.

The major negative effect of the 1984 interest rate movement was a significant narrowing of the spread on the Bank's consumer loan portfolio. The fixed-rate nature of the portfolio caused its yield to lag behind the increase in the cost of funds during the period of rising interest rates. The rising cost of funds also had a negative impact on the spread of the Bank's mortgage portfolio, but the impact was lessened by the fact that the majority of this portfolio is match-funded.

For much of 1984, non-performing loan balances were higher than the 1983 levels, reflecting the continuing economic problems in British Columbia and Alberta. The Bank dealt with this problem as part of the Financial Restructuring described above and, as a result, non-performing loan balances at year-end were below those of 1983.

Interest revenue on non-performing loans is not accrued into income, but these loans have to be

funded and, with rising interest rates, this cost increases. The combination of higher non-performing loan balances and a higher cost of funding had a significant negative impact on net interest income in 1984.

Loan Loss Experience and Provision for Loan Losses

Loan losses continued to be a problem for the banking industry as a whole in 1984. Bank of British Columbia was no exception as its clients continued to cope with the problems created by the state of the economy in British Columbia and Alberta.

However, 54% of the Bank's 1984 loan loss total is related to the Asset Sale described in the Financial Restructuring section. This sale improved the outlook for future years by reducing the cost of carrying non-performing loans. It did, however, result in a one-time charge of \$45.8 million to 1984 loan loss experience, which contributed to the total 1984 loan loss experience of \$85.4 million. This represented 3.24% of eligible loans, up from 2.16% in 1983, when loan loss experience was \$51.3 million.

Under the accounting rules established for banks by the Minister of Finance, actual loan loss experience is not charged to income but rather to the Bank's capital and reserves. The charge to income with respect to loan losses is a general provision for future losses. This provision for loan losses is determined by calculating the ratio of the last five years of loan loss experience to the last five years of eligible loans and applying this ratio to the outstanding eligible loans at the end of the current year. The provision for loan losses in 1984 was \$37.9 million, up 67% from the 1983 level of \$22.7 million.

Other Income

The contribution of other income to net income increased in 1984 for the first time since 1981. At \$17.8 million, other income was \$2.0 million above the \$15.8 million earned in 1983. Increases were achieved in both service charge and miscellaneous income. The improvement in service charge income came principally from the Bank's Prime Line and Current Accounts and resulted both from some increase in price and a sizeable increase in volume of transactions, especially in Prime Line Accounts.

Two key factors contributed to the improvement in miscellaneous income. One was a gain on the sale, by the Bank's loan recovery group, of certain real estate which the Bank was carrying in its loan realization account. The second, and more significant, factor was the receipt of ground lease income from Imbrook Properties Ltd., the developer of the "Bank of British Columbia Building" in downtown Vancouver.

Non-Interest Expenses

Expense restraint and productivity improvement programs put in place in 1983 were continued and enhanced in 1984. As a result, the Bank's non-interest expenses in 1984 were \$81.3 million, down \$2.9 million from 1983. Total non-interest expenses in 1984 represented 2.60% of average assets, compared with 2.71% in 1983.

Employee expenses, the largest component of non-interest expenses, showed the largest decline, to \$50.3 million for 1984, or 7.1% below the \$54.2 million of 1983. The various programs implemented by the Bank allowed it to reduce the overall size of its staff while still committing increased resources to customer service projects such as on-line computerized banking and automated banking machines.

Premises and Equipment expense is the only category where

growth occurred. The 10.4% increase resulted mainly from increased costs associated with the development of the Bank's on-line banking system and the development and implementation of the Bank's automated banking machine operations. The Bank's on-line system is well along in its development with conversion of the branches scheduled to occur in 1985. This expense category will continue to grow as the Bank increases its automation capabilities in order to provide improved service to its clients and increased internal productivity.

Other operating expenses amounted to \$16.6 million for 1984, a reduction of \$0.4 million, or 2%, from 1983.

Capital

At October 31, 1984 the Bank's capital and reserves were \$161.4 million, or 5% of total assets, an improvement from \$135.5 million and 4.4%, respectively, at the same date in 1983. The improvement results from the Financial Restructuring described above.

Dividends

In the Bank's Interim Reports for the second and third quarters of fiscal 1984, shareholders were advised of reasons behind the decision by the Board of Directors to pass payment of the common share dividends for those quarters. Not unexpectedly, the financial conditions during the fourth quarter gave no cause for reinstatement of the quarterly dividend payment.

The Board is keenly aware of the sacrifice this represents to the shareholders and, as the Financial Restructuring attests, is pursuing measures to improve results so that dividend payments can be resumed. The dividend decision will continue to be reviewed by the Board on a quarterly basis.

Consolidated Statement of Assets and Liabilities

As at October 31

(in thousands of dollars)

ASSETS	1984	Pro Forma 1984	1983
CASH RESOURCES:			
Cash and deposits with Bank of Canada	\$ 57,400	\$ 56,788	\$ 56,620
Deposits with other banks	146,080	146,094	176,113
Cheques and other items in transit, net	—	—	38,266
	203,480	202,882	270,999
SECURITIES (Note 3):			
Issued or guaranteed by Canada	138,277	138,277	112,489
Issued or guaranteed by provinces and municipal or school corporations	1,677	1,677	993
Other securities	99,377	97,137	128,735
	239,331	237,091	242,217
LOANS (Note 4):			
Day, call and short loans to investment dealers and brokers, secured	—	72,000	10,000
Loans to banks	64,641	64,641	51,106
Mortgage loans	271,977	334,499	225,017
Other loans (Note 5)	2,153,496	2,152,454	2,094,358
	2,490,114	2,623,594	2,380,481
OTHER:			
Customers' liability under acceptances (Note 6)	35,000	35,000	74,600
Land, buildings and equipment (Note 7)	31,862	31,862	32,007
Other assets (Note 8)	67,562	110,438	57,467
	134,424	177,300	164,074
	\$3,067,349	\$3,240,867	\$3,057,771

Auditors' Report to the Shareholders of Bank of British Columbia

We have examined the consolidated statement of assets and liabilities of Bank of British Columbia as at October 31, 1984 and the consolidated statements of income, appropriations for contingencies, changes in shareholders' equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Bank as at October 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with prescribed accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the pro forma consolidated statement of assets and liabilities of the Bank as at October 31, 1984 and the pro forma consolidated statements of changes in shareholders' equity and changes in financial position for the year then ended. In our opinion, these pro forma consolidated financial statements present fairly the financial position of the Bank as at October 31, 1984 and the changes in its financial position for the year then ended, after giving effect to the subsequent events with respect to the financial restructuring described in Note 1 to the consolidated financial statements.

Vancouver, Canada
December 11, 1984

Deloitte Haskins & Sells
Peat, Marwick, Mitchell & Co.
Chartered Accountants

LIABILITIES	1984	Pro Forma 1984	1983
DEPOSITS (Note 10):			
Payable on demand	\$ 138,360	\$ 137,811	\$ 140,016
Payable after notice	785,837	785,837	944,794
Payable on a fixed date	1,968,192	2,052,728	1,713,838
	2,892,389	2,976,376	2,798,648
OTHER:			
Cheques and other items in transit, net	7,666	8,127	—
Acceptances (Note 6)	35,000	35,000	74,600
Other liabilities (Note 11)	44,183	46,623	29,654
	86,849	89,750	104,254
SUBORDINATED DEBT:			
Bank debentures (Note 12)	13,348	13,348	19,367
CAPITAL AND RESERVES			
Appropriations for contingencies	(43,787)	(43,787)	3,702
Shareholders' equity:			
Capital stock (Notes 1 and 13):			
\$2.28 cumulative redeemable preferred shares, Series A	17,670	17,670	18,348
\$2.22 cumulative redeemable preferred shares, Series B	20,000	20,000	20,000
Common shares	72,225	158,899	25,848
Contributed surplus (Note 13)	—	—	46,633
Retained earnings	8,655	8,611	20,971
	74,763	161,393	135,502
	\$3,067,349	\$3,240,867	\$3,057,771

EDGAR F. KAISER, Jr.
Chairman, President and
Chief Executive Officer

R. E. KADLEC
Director

T. A. BUELL
Director

Consolidated Statement of Income

For the Year Ended October 31

(in thousands of dollars)

	1984	1983
INTEREST AND DIVIDEND INCOME:		
Loans	\$301,209	\$304,138
Lease financing	5,624	6,802
Securities	18,800	25,399
Deposits with banks	11,859	15,327
Total interest and dividend income	337,492	351,666
INTEREST EXPENSE:		
Deposits	254,757	245,951
Bank debentures	1,482	1,885
Liabilities other than deposits	25	14
Total interest expense	256,264	247,850
Net interest income	81,228	103,816
Provision for loan losses	37,881	22,703
Net interest income after loan loss provision	43,347	81,113
Other income	17,770	15,813
Net interest and other income	61,117	96,926
NON-INTEREST EXPENSES:		
Salaries	47,591	50,515
Pension contributions and other staff benefits	2,726	3,648
Premises and equipment expenses, including depreciation	14,453	13,091
Other expenses	16,564	16,946
Total non-interest expenses	81,334	84,200
Net income (loss) before provision for income taxes	(20,217)	12,726
Provision (credit) for income taxes (Note 14)	(13,227)	600
Net income (loss)	\$ (6,990)	\$ 12,126
Net income (loss) applicable to common shares (Note 15)	\$ (10,407)	\$ 9,596
Net income (loss) per common share — in dollars (Note 15)	\$ (2.01)	\$ 2.20

Consolidated Statement of Appropriations for Contingencies

For the Year Ended October 31

(in thousands of dollars)

	1984	1983
Balance at beginning of year:		
Tax-allowable	\$(13,400)	\$ 4,675
Tax-paid	17,102	10,649
	3,702	15,324
Changes during year (Note 1):		
Provision for loan losses included in the Consolidated Statement of Income	37,881	22,703
Loss experience on loans	(85,370)	(51,325)
Transfer from retained earnings	—	17,000
	(47,489)	(11,622)
Balance at end of year:		
Tax-allowable	(60,466)	(13,400)
Tax-paid	16,679	17,102
	\$(43,787)	\$ 3,702

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended October 31

(in thousands of dollars)

	1984	Pro Forma 1984	1983
CAPITAL STOCK (Notes 1 and 13):			
Balance at beginning of year:			
Preferred shares, Series A	\$ 18,348	\$ 18,348	\$18,928
Preferred shares, Series B	20,000	20,000	—
Common shares	25,848	25,848	20,848
	64,196	64,196	39,776
Changes during year:			
Issued — preferred shares, Series B	—	—	20,000
— common shares	—	86,674	5,000
Transfer from contributed surplus			
— common shares	46,377	46,377	—
Purchased for cancellation — preferred shares, Series A	(678)	(678)	(580)
	45,699	132,373	24,420
Balance at end of year:			
Preferred shares, Series A	17,670	17,670	18,348
Preferred shares, Series B	20,000	20,000	20,000
Common shares	72,225	158,899	25,848
	\$109,895	\$196,569	\$64,196
CONTRIBUTED SURPLUS (Note 13):			
Balance at beginning of year	\$ 46,633	\$ 46,633	\$34,564
Proceeds received in excess of the par value of common shares issued	—	—	12,000
Gain on preferred shares purchased for cancellation	—	—	69
Transfer to capital stock	(46,377)	(46,377)	—
Transfer to retained earnings	(256)	(256)	—
Balance at end of year	\$ —	\$ —	\$46,633
RETAINED EARNINGS:			
Balance at beginning of year	\$ 20,971	\$ 20,971	\$26,555
Net income (loss)	(6,990)	(6,990)	12,126
Dividends — preferred shares, Series A	(2,052)	(2,052)	(1,702)
— preferred shares, Series B	(2,220)	(2,220)	(541)
— common shares	(1,861)	(1,861)	(3,182)
Unrealized exchange gain on investments in foreign subsidiaries, net of income taxes	285	285	—
Transfer from contributed surplus	256	256	—
Income taxes related to loss experience of subsidiaries	214	214	414
Gain on preferred shares purchased for cancellation	54	54	—
Expenses related to issues of preferred and common shares, net of income taxes	(2)	(46)	(698)
Transfer to appropriations for contingencies	—	—	(17,000)
Income taxes related to the above transfer	—	—	4,999
Balance at end of year	\$ 8,655	\$ 8,611	\$20,971

Consolidated Statement of Changes in Financial Position

For the Year Ended October 31

(in thousands of dollars)

	1984	Pro Forma 1984	1983
FUNDS DERIVED FROM:			
Operations:			
Net income (loss)	\$ (6,990)	\$ (6,990)	\$ 12,126
Items included in net income (loss) not requiring the use of funds:			
Provision for loan losses	37,881	37,881	22,703
Depreciation	3,771	3,771	2,726
Amortization of other assets	400	400	481
Deferred income taxes	(16,073)	(16,073)	(444)
Total from operations	18,989	18,989	37,592
Other items:			
Decrease in:			
Deposits with other banks	30,033	30,019	58,584
Cheques and other items in transit, net	45,932	46,393	—
Securities	2,886	5,126	39,628
Loans, net	—	—	204,532
Lease financing	370	370	—
Other assets	5,578	—	—
Increase in:			
Deposits	93,741	177,728	—
Other liabilities	14,529	16,969	—
Capital stock issues	—	86,674	37,000
Tax credit related to loss experience of subsidiaries	214	214	414
Tax credit related to appropriations	—	—	4,999
Unrealized exchange gain on investments in foreign subsidiaries, net of income taxes	285	285	—
Total	\$212,557	\$382,767	\$382,749
FUNDS APPLIED TO:			
Loss experience on loans	\$ 85,370	\$ 85,370	\$ 51,325
Other items:			
Increase in:			
Cash and deposits with Bank of Canada	780	168	14,386
Cheques and other items in transit, net	—	—	41,575
Loans, net	110,003	243,483	—
Lease financing	—	—	72
Land, buildings and equipment	3,626	3,626	5,945
Other assets	—	37,298	4,953
Decrease in:			
Deposits	—	—	234,644
Other liabilities	—	—	23,204
Dividends	6,133	6,133	5,425
Retirement of Bank debentures	6,019	6,019	11
Redemption of preferred shares	624	624	511
Share issue expenses, net of income taxes	2	46	698
Total	\$212,557	\$382,767	\$382,749

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

1. Financial Restructuring:

On October 29, 1984, the Board of Directors of the Bank approved a series of transactions which resulted in a financial restructuring of the Bank. One of these transactions, the Asset Sale, was completed on October 31, 1984 and, accordingly, the effect has been included in the Consolidated Financial Statements of the Bank as at October 31, 1984 and for the year then ended. The remaining transactions, more fully described below, were not completed until after October 31, 1984. However, since these transactions were an integral part of the restructuring and in order to provide a fair presentation of the complete restructuring package, pro forma consolidated financial statements have been presented which give effect to these transactions as if they had been completed on October 31, 1984.

Asset Sale:

On October 31, 1984, the Bank completed an arms-length agreement (the "Asset Sale") for the sale by the Bank of a portion of its loan portfolio and other assets to Ormskirk Investments Ltd. ("Ormskirk"). The assets sold were recorded in the accounts of the Bank as at October 30, 1984 at \$107,979,000, net of specific provisions for losses, and generally consisted of non-performing and other problem loans secured by real estate. The sale price of these assets was \$62,218,000. The loss on the sale of \$45,761,000 was charged to appropriations for contingencies as part of loan loss experience for 1984. This incremental loan loss experience resulted in an increase of \$9,400,000 in the Bank's provision for loan losses charged to income in 1984.

As part of this transaction, the Bank provided financing to Ormskirk in the amount of \$52,500,000 on the security of a debenture charging the assets sold by the Bank to Ormskirk. The Bank has also advanced (U.S.) \$10,000,000 to affiliates of Ormskirk on the security of a first mortgage on certain properties in Los Angeles, California and applied \$9,700,000 of the proceeds of this loan to Ormskirk's requirements for financing the Asset Sale. In addition, the Bank may be required to lend Ormskirk an amount up to \$5,000,000 on or before October 31, 1985 for interest accrued and unpaid on the Asset Sale financing. This amount would be secured by the debenture and a guarantee of Alsten Holdings Ltd., the parent company of Ormskirk. Furthermore, in the event that particular mortgages in the aggregate principal amount of approximately \$20,600,000, on properties sold to Ormskirk, which rank prior to the Bank's debenture, are not renewed by existing lenders, the Bank may be required to lend Ormskirk an amount equal to the outstanding balance of such mortgages on the Bank's usual terms and conditions.

The Bank has, until at least June, 1986, a right to acquire an equity interest of up to 35% in Ormskirk so as to allow the Bank to participate in any increase in the value of the assets being sold.

Subsequent Events Included in Pro Forma Consolidated Financial Statements As If They Had Been Completed On October 31, 1984:

- (a) On November 21, 1984, by special resolution of the common shareholders, the authorized common share capital of the Bank was changed to consist of an unlimited number of common shares without nominal or par value, issuable for an aggregate consideration not exceeding \$500,000,000. The Bank has requested the approval of the Minister of Finance for the increase in the authorized common share capital from \$250,000,000 to \$500,000,000.
- (b) On November 22, 1984, the Bank completed the issue by private placement (the "Private Offering") to individual and institutional investors of 12,000,000 common shares at a price of \$6.00 per share for aggregate gross proceeds of \$72,000,000. Expenses of issue were \$44,000 net of income taxes of \$44,000.
- (c) On November 22, 1984 and pursuant to an agreement (the "Merger Agreement") with the Trustees on behalf of BBC Realty Investors (the "Trust") dated October 29, 1984 (as amended on November 22, 1984), the Bank subscribed for 2,445,713 Trust units for \$15,286,000 and the Bank issued 2,445,713 common shares to the Trust for \$14,674,000. Unitholders of the Trust other than the Bank had their Trust units reclassified as Class A Trust units which were redeemed on the basis of one common share of the Bank plus \$0.25 for each Trust unit. As a result of these steps, the Bank holds all of the outstanding units of the Trust and intends to proceed with a winding-up of the Trust and the distribution of its assets to the Bank.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

1. (Continued):

The net assets of the Trust acquired by the Bank pursuant to the Merger Agreement were as follows:

Assets acquired, at fair value:	
Cash resources	\$ 14,000
Loans	61,480,000
Other	42,832,000
	<hr/> 104,326,000
Liabilities assumed:	
Deposits	(83,987,000)
Other	(2,413,000)
	<hr/>
Net assets acquired	\$ 17,926,000
<hr/>	
Consideration:	
Carrying value of investments previously held	\$ 2,240,000
Cost of units acquired in connection with the Merger Agreement	15,286,000
Expenses	400,000
	<hr/> \$ 17,926,000
<hr/>	

As a consequence of the strengthening of the Bank through the financial restructuring and following consultation with the Inspector General of Banks, commencing in 1985 the rules for the determination of the provision for future loan losses, to be charged to income and credited to appropriations for contingencies, will be applied using a ratio of loan losses to eligible loans similar to the ratio experienced by the Bank in the years prior to 1982. This will be accomplished by replacing the actual loan loss experience for the years 1982 through 1984 in the five year average provision formula with amounts representing normalized loan losses of 0.40% of eligible loans. The Bank also intends to restore its appropriations for contingencies in ensuing years. Furthermore, certain undertakings have been discussed with the Inspector General of Banks; these include a requirement not to pay cash dividends on the common shares, without prior consultation with and the consent of the Inspector General of Banks, until the deficit in appropriations for contingencies has been eliminated.

2. Prescribed accounting policies:

The Bank Act and the rules and regulations issued thereunder by the Minister of Finance prescribe the form and content of the Bank's financial statements, as well as most of the accounting policies. The prescribed accounting policies followed by the Bank in determining net income conform in all material respects with generally accepted accounting principles except for the accounting for losses on loans and the deferral of gains and losses on the disposal of fixed maturity debt securities held in the investment account, as required by the above mentioned rules and regulations.

The significant prescribed accounting policies followed by the Bank are summarized below:

(a) Basis of consolidation:

The assets and liabilities and results of operations of the Bank and its subsidiaries are reported in the financial statements on a consolidated basis. The subsidiaries are as follows:

Canadian:	Bank of British Columbia Mortgage Corporation
	BBC Investments Ltd.
	BBC Realty Ltd.
	WestBank Leasing Limited
Foreign:	Bank of British Columbia (International) Limited
	British Columbia Financial Corp. (H.K.) Limited

Other corporations in which the Bank owns 20% to 50% of the voting shares are accounted for by the equity accounting method. The Bank's investments in these corporations are reported in Other Securities in the Consolidated Statement of Assets and Liabilities, and the share of their net income is reported in Income from Securities in the Consolidated Statement of Income.

(b) Securities:

Securities held for trading purposes are carried at market value. Realized gains and losses and unrealized valuation adjustments to market are recorded in current income.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

Securities held for investment purposes are carried at cost, with the exception of those securities issued or guaranteed by the Government of Canada or the provinces which are carried at cost, adjusted for amortization of premiums and discounts. Any provision for permanent impairment in value of investment securities is recognized through a charge to current income.

Gains and losses resulting from disposals of fixed maturity debt securities held in the investment account, other than treasury bills, are deferred and amortized to income over five years on the straight-line basis. Gains and losses resulting from disposals of other securities, including treasury bills, held in the investment account are recorded in current income.

The income effects of the amortization of premiums and discounts, the gains and losses on the disposal of securities and the adjustments to the valuations of both investment and trading account securities are recorded in Income from Securities in the Consolidated Statement of Income.

(c) Loans:

Loans are recorded at the principal amount less unearned income, where applicable, and specific and general provisions for losses.

Interest income is recorded on the accrual basis until such time as a loan is classified as non-accrual. Loans are placed on a non-accrual basis whenever there is, in the opinion of management, doubt as to the collectibility of some portion of principal or interest or when interest on a loan is due and has not been collected for a period of 90 days, unless senior credit management determines there is no reasonable doubt as to the ultimate collectibility of principal and interest. The amount of this overdue interest is charged against current year's income. Interest income on non-accrual loans is recorded on a cash basis.

(d) Direct finance leases:

Direct finance leases are included in Other Loans in the Consolidated Statement of Assets and Liabilities. The gross lease receivable and the unearned lease income are recorded at the time a lease transaction is executed. The unearned lease income is taken into income over the lease term in amounts directly related to the balance of the net investment in the lease.

(e) Loan losses:

A provision for loan losses is charged to income and credited to appropriations for contingencies annually. The amount of this provision is determined by calculating the ratio of the last five years of actual loan loss experience to the last five years of eligible loans and applying this ratio to the outstanding eligible loans at the end of the current year (Note 1). Actual loan loss experience for the year, which consists of net changes in provisions for losses less recoveries on loans previously written off, is charged directly to appropriations for contingencies.

(f) Appropriations for contingencies:

Appropriations for contingencies consist of two elements — tax-allowable and tax-paid. The tax-allowable portion consists of provisions for loan losses charged to income plus discretionary transfers from retained earnings less the unconsolidated Bank actual loan loss experience. Transfers to tax-allowable appropriations for contingencies including transfers from retained earnings, are made on a tax-deductible basis. The limit on the tax-allowable appropriations is known as Prescribed Aggregate Reserve, and is calculated by applying a percentage, determined by regulation, to eligible assets net of specific and general provisions relating to such assets (1½% of the first \$2 billion and 1% of the excess thereof).

The tax-paid portion of appropriations for contingencies reflects the net of actual loan loss experience and provisions for loan losses as they relate to subsidiaries, and discretionary transfers to or from retained earnings on which taxes have been provided.

(g) Depreciation:

Depreciation is provided for on the straight-line basis over the estimated useful life of the asset. Gains and losses on disposal of fixed assets are reported in the Consolidated Statement of Income.

(h) Translation of foreign currencies:

Assets and liabilities in foreign currencies are translated into Canadian dollars at the prevailing year-end rates; revenues and expenses are translated at prevailing month-end rates. Realized and unrealized gains and losses from transactions in and translations of foreign currencies are reported in Other Income in the Consolidated Statement of Income, except for unrealized gains and losses on investments in foreign subsidiaries which are credited or charged to retained earnings net of income taxes.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

3. Securities:

(in thousands of dollars)

		Maturities					No specific maturity	1984 Total	1983 Total
		Within 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years			
INVESTMENT ACCOUNT SECURITIES:									
Securities issued or guaranteed by:									
Canada	\$118,854	\$ 7,470	\$ 1,243	\$ 3,438	\$ 7,090	\$ —	\$138,095	\$100,459	
Provinces	—	—	808	100	695	—	1,603	496	
Other securities:									
Debt securities:									
Income debentures	1,147	1,596	279	—	—	—	3,022	3,317	
Small business development bonds	—	27,591	—	—	—	—	27,591	34,893	
Other Canadian issuers	—	3,000	—	—	—	—	3,000	18,000	
Issuers other than Canadian	198	—	62	—	—	—	260	318	
Equity securities:									
Term preferred shares	5,078	14,006	12,561	23,634	2,800	—	58,079	62,945	
Other Canadian issuers	66	132	132	1,292	2,934	2,869	7,425	9,262	
Total investment account securities	\$125,343	\$53,795	\$15,085	\$28,464	\$13,519	\$ 2,869	239,075	229,690	
TRADING ACCOUNT SECURITIES:									
Securities issued or guaranteed by:									
Canada							182	12,030	
Provinces							74	497	
Total trading account securities							256	12,527	
Total securities							\$239,331	\$242,217	

4. Loans:

(in thousands of dollars)

The Bank has two categories of non-performing loans: non-accrual loans (Note 2(c)) and renegotiated reduced rate loans which are loans where the terms have been modified to provide for a reduction in the interest rate due to the weakened financial condition of the borrower.

	1984			1983		
	Domestic	Inter- national	Total	Domestic	Inter- national	Total
Current loans:						
Day, call and short loans	\$ —	\$ —	\$ —	\$ 10,000	\$ —	\$ 10,000
Banks	—	63,096	63,096	—	47,800	47,800
Mortgages	270,653	—	270,653	224,239	—	224,239
Other loans	1,658,890	446,234	2,105,124	1,614,548	395,971	2,010,519
Provisions for losses	(2,636)	(5,600) ¹	(8,236)	(597)	—	(597)
Net current loans	1,926,907	503,730	2,430,637	1,848,190	443,771	2,291,961
Non-performing loans:						
Non-accrual loans	89,274	10,910	100,184	131,113	11,112	142,225
Renegotiated reduced rate loans	6,693	—	6,693	—	—	—
Provisions for losses	(42,046)	(5,354)	(47,400)	(49,805)	(3,900)	(53,705)
Net non-performing loans	53,921	5,556	59,477	81,308	7,212	88,520
Total loans	\$1,980,828	\$509,286	\$2,490,114	\$1,929,498	\$450,983	\$2,380,481

¹The Bank maintains a general provision for losses against sovereign risk loans made to certain countries which have encountered difficulty in servicing their debt or have required debt restructuring during the past few years. In addition to certain specific provisions for losses on these loans, the Bank also has established a general provision of \$5,600,000 representing approximately 5.5% of the total loans outstanding to these countries.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

5. Other loans:

(in thousands of dollars)

	1984	1983
Loans to provinces	\$ 33,517	\$ 35,332
Direct finance leases	43,729	44,099
Personal loans	415,361	425,421
Loans in currencies other than Canadian	488,885	455,718
Demand and other loans in Canadian currency	1,172,004	1,133,788
	\$2,153,496	\$2,094,358

6. Acceptances, guarantees and letters of credit:

(in thousands of dollars)

The Bank issues acceptances and letters of credit, and guarantees the payment of certain liabilities of customers, and has recourse against customers with respect to any payments made on all of these commitments. Acceptances are reported as a liability and an offsetting asset in the Consolidated Statement of Assets and Liabilities. Guarantees and letters of credit are not reported in the Consolidated Statement of Assets and Liabilities but have been detailed below:

	1984	1983
Guarantees	\$61,681	\$56,562
Letters of credit	20,132	6,833
	\$81,813	\$63,395

7. Land, buildings and equipment:

(in thousands of dollars)

	Cost	Accumulated Depreciation	Net Book Value	
			1984	1983
Land	\$13,185	\$ —	\$13,185	\$12,682
Buildings	3,023	330	2,693	2,752
Computer equipment	6,744	1,996	4,748	3,286
Furniture, fixtures and equipment	9,956	6,716	3,240	4,007
Leasehold improvements	14,794	6,798	7,996	9,280
	\$47,702	\$15,840	\$31,862	\$32,007

8. Other assets:

(in thousands of dollars)

	1984	1983
Accrued interest receivable	\$28,151	\$26,585
Deferred income taxes	29,690	13,498
Real property other than Bank premises	4,953	12,089
Sundry, including accounts receivable	4,768	5,295
	\$67,562	\$57,467

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

9. Geographical distribution of assets by location of ultimate risk:

(in thousands of dollars)

	1984		1983	
	Amount	Percent	Amount	Percent
Canada	\$2,636,922	86.0%	\$2,655,011	86.8%
United States	87,144	2.8	66,797	2.2
Asia/Pacific:				
South Korea	40,348	1.3	36,885	1.2
Japan	30,452	1.0	42,678	1.4
Other	41,919	1.4	49,749	1.6
	112,719	3.7	129,312	4.2
Latin America and Caribbean:				
Brazil	35,568	1.2	32,473	1.1
Mexico	61,078	2.0	58,439	1.9
Other	12,643	0.4	12,024	0.4
	109,289	3.6	102,936	3.4
Europe:				
Italy	31,425	1.0	30,682	1.0
Spain	36,232	1.2	28,677	0.9
Other	53,473	1.7	44,153	1.5
	121,130	3.9	103,512	3.4
Middle East and Africa	145	—	203	—
Total assets	\$3,067,349	100.0%	\$3,057,771	100.0%

The countries noted separately above represent those countries to which more than 1% of the Bank's risk assets are attributable. Risk assets for this purpose are defined as deposits with other banks, securities, loans (excluding mortgages) and customers liability under acceptances. As at October 31, 1984 risk assets totalled \$2,639 million (1983 — \$2,648 million).

10. Deposits:

(in thousands of dollars)

	1984	1983
Deposits by Canada	\$ 22,004	\$ 40,039
Deposits by provinces	121,994	33,620
Deposits by banks	724,135	511,827
Deposits by individuals	1,234,177	1,367,616
Other deposits	790,079	845,546
	\$2,892,389	\$2,798,648

11. Other liabilities:

(in thousands of dollars)

	1984	1983
Accrued interest payable	\$32,190	\$21,084
Accounts payable and accrued expenses	11,993	8,570
	\$44,183	\$29,654

12. Bank debentures:

(in thousands of dollars)

	1984	1983
7½% sinking fund debentures, maturing November, 1991	\$ 348	\$ 367
9% debentures, matured 1984	—	6,000
9¾% debentures, maturing September, 1985	3,000	3,000
10¼% debentures, redeemable at the Bank's option on or after May 15, 1984 until maturity in May, 1989	10,000	10,000
	\$13,348	\$19,367

The debentures are direct unsecured obligations of the Bank and are subordinated in right of payment to the claims of depositors and certain other creditors.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

13. Capital stock:

AUTHORIZED:

- Preferred shares — 3,000,000 shares without nominal or par value, issuable in series for an aggregate consideration not exceeding \$75,000,000
- Common shares — 10,000,000 shares without nominal or par value, issuable for an aggregate consideration not exceeding \$250,000,000 (Note 1(a))

OUTSTANDING:

(in thousands of dollars)

	1984		Pro Forma 1984		1983	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Preferred shares, Series A:						
At beginning of year	733,900	\$ 18,348	733,900	\$ 18,348	757,100	\$18,928
Purchased for cancellation	(27,100)	(678)	(27,100)	(678)	(23,200)	(580)
At end of year	706,800	17,670	706,800	17,670	733,900	18,348
Preferred shares, Series B:						
At beginning of year	800,000	20,000	800,000	20,000	—	—
Issued for cash	—	—	—	—	800,000	20,000
At end of year	800,000	20,000	800,000	20,000	800,000	20,000
Common shares:						
At beginning of year	5,169,526	25,848	5,169,526	25,848	4,169,526	20,848
Issued for cash	—	—	14,445,713	86,674	1,000,000	5,000
Transfer from contributed surplus	—	46,377	—	46,377	—	—
At end of year	5,169,526	72,225	19,615,239	158,899	5,169,526	25,848
Total capital stock		\$109,895		\$196,569		\$64,196

On January 10, 1984 the authorized common shares were redesignated as without nominal or par value. In accordance with Section 120(4) of the Bank Act that portion of the contributed surplus of the Bank which was attributable to the issues of common shares was transferred to capital stock. The balance of contributed surplus, which arose from gains on preferred shares purchased for cancellation, was transferred to retained earnings.

SHARE RIGHTS AND PRIVILEGES:

Preferred shares, Series A:

These shares are redeemable at the option of the Bank at any time on or after October 30, 1984 at \$27.00 per share declining annually thereafter by \$0.50 per share to \$25.00 per share after October 30, 1988.

The Bank has undertaken to make all reasonable efforts to purchase for cancellation in each calendar quarter 6,000 of the outstanding preferred shares, Series A at prices not exceeding \$25.00 per share.

Preferred shares, Series B:

These shares are redeemable at the option of the Bank at any time on or after July 1, 1988 at \$26.20 per share declining annually thereafter by \$0.30 per share to \$25.00 per share after July 1, 1992. These shares are retractable at the option of the holder on June 1, 1995 at \$25.00 per share.

The Bank has undertaken to make all reasonable efforts to purchase for cancellation in each calendar quarter at prices not exceeding \$25.00 per share the following number of these shares:

- during the period commencing July 1, 1988 and ending June 30, 1995, 6,000 preferred shares, Series B; and
- commencing July 1, 1995 and thereafter, 0.75% of the number of preferred shares, Series B outstanding on June 30, 1995.

This obligation is cumulative only within each calendar year.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

14. Income taxes:

(in thousands of dollars)

The provision (credit) for income taxes recorded in the Consolidated Statement of Income represents income taxes applicable to the income or loss reported therein.

Income taxes recorded in retained earnings represent the income tax effect related to the tax deductible transfer from retained earnings to appropriations for contingencies, to loan loss experience of subsidiaries, to share issue expenses and to unrealized exchange gains on investments in foreign subsidiaries which are charged or credited directly to retained earnings.

The deferred income tax credits represent income tax benefits related to deductions available to reduce taxes otherwise payable of future years.

PROVISION (CREDIT) FOR INCOME TAXES

	1984	1983
Consolidated Statement of Income:		
Current	\$ 2,846	\$ 1,044
Deferred	(16,073)	(444)
	(13,227)	600
Retained earnings:		
Current	(2)	(724)
Deferred	(119)	(5,413)
	(121)	(6,137)
	\$(13,348)	\$(5,537)

The Bank's provision (credit) for income taxes differs from the amount calculated by applying its combined federal and provincial statutory tax rate to net income before provision for income taxes mainly because of tax-exempt income from certain securities including term preferred shares, income debentures and small business development bonds.

	1984		1983	
	Amount	Percent	Amount	Percent
Net income (loss) before provision for income taxes	\$(20,217)		\$12,726	
Taxes thereon at combined federal and provincial statutory tax rate	\$(10,210)	(50.5)%	\$ 6,528	51.3%
Combined tax rate applied to:				
Income from foreign subsidiaries not subject to Canadian tax	(699)	(3.5)	(876)	(6.9)
Dividends from taxable Canadian corporations	(2,311)	(11.4)	(3,361)	(26.4)
Interest on income debentures and small business development bonds	(1,173)	(5.8)	(2,471)	(19.4)
Other — net	1,115	5.5	558	4.4
Non-Canadian taxes payable by foreign subsidiaries	51	0.3	222	1.7
Provision (credit) for income taxes at effective income tax rate	\$(13,227)	(65.4)%	\$ 600	4.7%

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

15. Net income (loss) per common share:

Net income (loss) per common share has been calculated using the daily weighted average number of common shares outstanding (1984 — 5,169,526; 1983 — 4,358,567) and after giving effect to the preferred share dividend obligations for the year.

16. Long-term commitments for leases:

Rental expense for premises for the year ended October 31, 1984 was \$6,684,000 (1983 — \$6,056,000). Minimum future rental commitments for premises under long-term leases are shown below. The Bank has no lease commitments which extend beyond 2006.

(in thousands of dollars)

1985	\$ 5,259
1986	5,065
1987	6,166
1988	5,823
1989	4,951
1990 and thereafter	50,410

17. Pension plan:

The Bank has an employee pension plan which is available to all employees at age 25, after three months service, on a contributory or non-contributory basis. The total cost in respect of current service charged to income for the year ended October 31, 1984 amounted to \$326,000. (1983 — \$1,255,000).

An actuarial evaluation of the pension fund is performed every three years in accordance with statutory requirements; however, the Bank's policy requires an interim actuarial review to be carried out every year. As at January 1, 1984, the date of the latest actuarial valuation, the pension fund was fully funded.

18. Legal actions:

The Bank is subject to a number of legal actions arising in the normal course of its business. Based on opinions of outside counsel and information made available to General Counsel of the Bank, General Counsel is of the opinion that the likelihood of ultimate material liability to the Bank is remote.

19. Subsequent event:

In a preliminary prospectus dated December 11, 1984, the Bank has indicated its intention to offer to certain common shareholders, employees of the Bank and, through an agency agreement, the public, a maximum of 19,000,000 common shares for estimated net proceeds of \$110,070,000 after deducting the maximum agents' fee and expenses of issue estimated to be \$3,930,000.

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

20. Affiliated companies:

Name	Head Office Address	Voting Shares Owned by Bank of British Columbia	
		Book Value	Percent
Bank of British Columbia (International) Limited	P.O. Box 2198 Transnational House Grand Cayman Cayman Islands British West Indies	\$6,572,000 ¹	100%
Bank of British Columbia Mortgage Corporation	1235-555 Burrard Street Vancouver, B.C. Canada	\$11,000,000 ¹	100%
BBC Investments Ltd.	1235-555 Burrard Street Vancouver, B.C. Canada	\$50,000 ¹	100%
BBC Realty Investments Limited	635-555 Burrard Street Vancouver, B.C. Canada	\$6,452 ²	50% ³
BBC Realty Ltd.	1235-555 Burrard Street Vancouver, B.C. Canada	\$10,000 ¹	100%
BBC-RI Services Ltd.	635-555 Burrard Street Vancouver, B.C. Canada	\$93,183 ²	50% ³
British Columbia Financial Corp. (H.K.) Limited	3407 Gloucester Tower The Landmark 11 Pedder Street Hong Kong	\$6,572,000 ¹	100%
West Bank Leasing Limited	1235-555 Burrard Street Vancouver, B.C. Canada	\$10 ¹	100%

The above list identifies those corporations in which the Bank owns more than 10% of the voting shares.

¹Represents the cost of the Bank's investment which excludes the Bank's share of net income.

²Represents the cost of the Bank's investment plus the Bank's share of net income.

³The Bank's ownership of the voting shares increased to 100% on November 22, 1984 as a result of the Merger Agreement described in Note 1(c).

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

21. Condensed financial statements of certain subsidiaries in accordance with Section 215(3)(e) of the Bank Act:

WESTBANK LEASING LIMITED STATEMENT OF ASSETS AND LIABILITIES AS AT OCTOBER 31 (in thousands of dollars)		
	1984	1983
ASSETS:		
Investment in leases, less unearned income	\$43,729	\$44,099
Other assets	235	382
	\$43,964	\$44,481
LIABILITIES:		
Due to Bank of British Columbia	\$36,497	\$37,750
Other liabilities	3,299	2,933
	39,796	40,683
SHAREHOLDER'S EQUITY:		
Capital stock ¹	3,594	1,094
Retained earnings	574	2,704
	4,168	3,798
	\$43,964	\$44,481

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED OCTOBER 31 (in thousands of dollars)		
	1984	1983
INCOME:		
Leases	\$ 5,624	\$ 6,802
Other	198	299
	5,822	7,101
EXPENSES:		
Interest	3,854	4,176
General and administrative	316	350
	4,170	4,526
Provision for losses	909	1,415
Total expenses	5,079	5,941
Income before income taxes	743	1,160
Income taxes — deferred	373	595
Net income	370	565
Retained earnings at beginning of year	2,704	2,139
	3,074	2,704
Dividend — common share	(2,500)	—
Retained earnings at end of year	\$ 574	\$ 2,704

¹Bank of British Columbia owns the entire capital stock of WestBank Leasing Limited which is carried on the books of the Bank at original cost of \$3,594,010 (preference shares \$3,594,000, common share \$10).

Notes to Consolidated Financial Statements

For the Year Ended October 31, 1984

21. (Continued):

BANK OF BRITISH COLUMBIA MORTGAGE CORPORATION STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31 (in thousands of dollars)

	1983	1982
ASSETS:		
Cash and term deposits	\$ 17,558	\$ 6,138
Income debentures	833	—
Mortgages	203,177	120,309
Other assets	3,026	1,867
	\$224,594	\$128,314
LIABILITIES:		
Due to Bank of British Columbia	\$ 441	\$ 1,746
Accrued interest	4,067	2,288
Term promissory notes	183,896	112,382
Bankers' acceptances	23,701	—
Other liabilities	791	561
	212,896	116,977
SHAREHOLDER'S EQUITY:		
Capital stock ¹	11,003	11,003
Retained earnings	695	334
	11,698	11,337
	\$224,594	\$128,314

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31 (in thousands of dollars)

	1983	1982
INCOME:		
Mortgages	\$ 22,314	\$ 15,008
Other	1,351	688
	23,665	15,696
EXPENSES:		
Interest	18,471	12,739
General and administrative	4,343	2,435
	22,814	15,174
Provision for losses	100	—
Total expenses	22,914	15,174
Income before income taxes	751	522
Income taxes — deferred	390	274
Net income	361	248
Retained earnings at beginning of year	334	86
Retained earnings at end of year	\$ 695	\$ 334

¹Bank of British Columbia owns the entire capital stock of Bank of British Columbia Mortgage Corporation which is carried on the books of the Bank at original cost of \$11,002,500 (preference shares \$2,500, common shares \$11,000,000).

Statements of a Foreign Subsidiary

BRITISH COLUMBIA FINANCIAL CORP. (H.K.) LIMITED CONDENSED STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30
(in thousands of U.S. dollars)

	1984	1983
ASSETS:		
Cash and due from banks	\$ 3,138	\$ 3,061
Loans	57,800	67,129
Other assets	1,982	2,042
	\$62,920	\$72,232
LIABILITIES:		
Deposits	\$17,786	\$ 5,657
Due to Bank of British Columbia	36,421	58,245
Other liabilities	904	691
	55,111	64,593
SHAREHOLDER'S EQUITY:		
Capital stock ¹	5,000	5,000
Retained earnings	2,809	2,639
	7,809	7,639
	\$62,920	\$72,232

CONDENSED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED SEPTEMBER 30 (in thousands of U.S. dollars)

	1984	1983
INCOME:		
Interest	\$ 7,591	\$ 9,274
Other	115	97
	7,706	9,371
EXPENSES:		
Interest	6,469	7,683
General and administrative	724	597
Provision for loan losses	300	100
	7,493	8,380
Income before income taxes	213	991
Income taxes	43	181
Net income	170	810
Retained earnings at beginning of year	2,639	1,829
Retained earnings at end of year	\$ 2,809	\$ 2,639

¹The Bank of British Columbia owns the entire capital stock of British Columbia Financial Corp. (H.K.) Limited which is carried on the books of the Bank at \$6,587,000 (Canadian).

Auditors' Report to the Shareholders of Bank of British Columbia

We have examined the financial statements of British Columbia Financial Corp. (H.K.) Limited for the year ended September 30, 1984 and have reported thereon to the Company's shareholder under date of November 7, 1984. The accompanying condensed statements of assets and liabilities and income and retained earnings have been prepared from the aforementioned financial statements.

In our opinion, the accompanying condensed statements of assets and liabilities and income and retained earnings fairly summarize the financial position of the Company as at September 30, 1984 and the results of its operations for the year then ended.

Vancouver, Canada
November 7, 1984

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Eight Year Statistical Review

Consolidated Statement of Assets and Liabilities

As at October 31

(in thousands of dollars)

	1984	Pro Forma 1984	1983
ASSETS			
CASH RESOURCES:			
Cash and deposits with Bank of Canada	\$ 57,400	\$ 56,788	\$ 56,620
Deposits with other banks	146,080	146,094	176,113
Cheques and other items in transit, net	—	—	38,266
	203,480	202,882	270,999
SECURITIES:			
Issued or guaranteed by Canada	138,277	138,277	112,489
Issued or guaranteed by provinces and municipal or school corporations	1,677	1,677	993
Other securities	99,377	97,137	128,735
	239,331	237,091	242,217
LOANS:			
Day, call and short loans to investment dealers and brokers, secured	—	72,000	10,000
Loans to banks	64,641	64,641	51,106
Mortgage loans	271,977	334,499	225,017
Other loans	2,153,496	2,152,454	2,094,358
	2,490,114	2,623,594	2,380,481
OTHER:			
Customers' liability under acceptances	35,000	35,000	74,600
Land, buildings and equipment	31,862	31,862	32,007
Other assets	67,562	110,438	57,467
	134,424	177,300	164,074
	\$3,067,349	\$3,240,867	\$3,057,771
LIABILITIES			
DEPOSITS:			
Payable on demand	\$ 138,360	\$ 137,811	\$ 140,016
Payable after notice	785,837	785,837	944,794
Payable on a fixed date	1,968,192	2,052,728	1,713,838
	2,892,389	2,976,376	2,798,648
OTHER:			
Cheques and other items in transit, net	7,666	8,127	—
Acceptances	35,000	35,000	74,600
Other liabilities	44,183	46,623	29,654
Minority interest in subsidiaries	—	—	—
	86,849	89,750	104,254
SUBORDINATED DEBT:			
Bank debentures	13,348	13,348	19,367
CAPITAL AND RESERVES			
Appropriations for contingencies	(43,787)	(43,787)	3,702
Shareholders' Equity:			
Capital stock — preferred shares	37,670	37,670	38,348
— common shares	72,225	158,899	25,848
Contributed surplus	—	—	46,633
Retained earnings	8,655	8,611	20,971
	74,763	161,393	135,502
	\$3,067,349	\$3,240,867	\$3,057,771

1982	1981	1980	1979	1978	1977
\$ 42,234	\$ 37,682	\$ 61,797	\$ 27,901	\$ 49,986	\$ 8,078
234,697	199,439	193,501	150,658	163,979	81,214
—	14,003	8,976	76,381	11,748	71,104
276,931	251,124	264,274	254,940	225,713	160,396
92,982	122,156	128,004	104,699	71,638	66,070
1,069	1,119	1,059	860	1,119	17,082
187,794	158,770	104,095	97,668	31,727	37,180
281,845	282,045	233,158	203,227	104,484	120,332
53,998	39,000	28,120	6,079	11,500	5,800
48,073	17,520	25,929	32,518	16,680	—
179,402	164,637	135,361	120,823	103,849	92,193
2,303,468	2,115,181	1,557,587	1,307,618	1,010,789	769,796
2,584,941	2,336,338	1,746,997	1,467,038	1,142,818	867,789
29,000	12,500	26,700	16,500	9,000	7,000
28,788	23,563	16,223	12,118	10,438	7,470
52,551	40,345	23,916	21,902	11,771	6,289
110,339	76,408	66,839	50,520	31,209	20,759
\$3,254,056	\$2,945,915	\$2,311,268	\$1,975,725	\$1,504,224	\$1,169,276
\$ 125,922	\$ 160,272	\$ 166,690	\$ 120,398	\$ 132,852	\$ 108,202
889,202	818,472	719,179	466,172	304,874	241,242
2,018,168	1,753,455	1,254,137	1,266,906	979,864	753,892
3,033,292	2,732,199	2,140,006	1,853,476	1,417,590	1,103,336
3,309	—	—	—	—	—
29,000	12,500	26,700	16,500	9,000	7,000
52,858	71,958	38,352	26,655	16,626	11,965
—	—	—	—	87	90
85,167	84,458	65,052	43,155	25,713	19,055
19,378	19,402	19,420	19,440	9,451	8,000
15,324	21,970	13,789	12,236	8,760	6,946
18,928	19,183	19,868	—	—	—
20,848	17,869	15,316	15,316	14,788	11,920
34,564	25,235	19,401	19,401	18,343	13,114
26,555	25,599	18,416	12,701	9,579	6,905
116,219	109,856	86,790	59,654	51,470	38,885
\$3,254,056	\$2,945,915	\$2,311,268	\$1,975,725	\$1,504,224	\$1,169,276

Eight Year Statistical Review

Consolidated Statement of Income

Year Ended October 31
(in thousands of dollars)

	1984	1983
INTEREST AND DIVIDEND INCOME:		
Loans	\$301,209	\$304,138
Lease financing	5,624	6,802
Securities	18,800	25,399
Deposits with banks	11,859	15,321
Total interest and dividend income	337,492	351,666
INTEREST EXPENSE:		
Deposits	254,757	245,951
Bank debentures	1,482	1,885
Liabilities other than deposits	25	14
Total interest expense	256,264	247,850
Net interest income	81,228	103,816
Provision for loan losses	37,881	22,703
Net interest income after loan loss provision	43,347	81,113
Other income	17,770	15,813
Net interest and other income	61,117	96,926
NON-INTEREST EXPENSES:		
Salaries	47,591	50,515
Pension contributions and other staff benefits	2,726	3,648
Premises and equipment expenses, including depreciation	14,453	13,091
Other expenses	16,564	16,946
Total non-interest expenses	81,334	84,200
Net income (loss) before provision for income taxes	(20,217)	12,726
Provision (credit) for income taxes	(13,227)	600
Net income (loss) before minority interest in subsidiaries	(6,990)	12,126
Minority interest in subsidiaries	—	—
Net income (loss)	\$ (6,990)	\$ 12,126
Net income (loss) applicable to common shares	\$ (10,407)	\$ 9,596
Weighted average number of common shares outstanding	5,169,526	4,358,567
SHARE INFORMATION:		
Net income (loss) per common share ¹	\$ (2.01)	\$ 2.20
Dividends per common share	0.36	0.72
Share price ² High	16.50	21.50
Low	6.38	14.50
Close	6.75	14.50
Book value per common share ³	7.18	18.79
Price earnings ratio ⁴	—	8.2
Dividend yield ⁵	3.1%	4.0
OTHER INFORMATION:		
Return on assets ⁶	(.22)%	.39
Return on common equity ⁷	(11.7)%	10.0
Deposit to capital ratio ⁸	38.7:1	20.7:1
Number of common shareholders ⁹	9,293	9,596
Number of branches	51	52
Valuation day value — December 22, 1971: \$11.13		

Notes:

1. Net income (loss) less preferred dividend obligations divided by weighted average equivalent of fully paid common shares outstanding.
2. High and low of prices traded on the Toronto Stock Exchange during the fiscal year and the closing price on the last day of trading in October.
3. Total Capital and Reserves less preferred shares issued divided by the number of fully paid common shares outstanding at fiscal year end.

1982	1981	1980	1979	1978	1977
\$416,988	\$372,812	\$240,012	\$181,108	\$113,913	\$ 86,435
3,963	1,769	208	—	—	—
34,446	30,356	20,891	14,084	7,683	6,542
32,355	31,635	19,863	12,180	6,997	3,381
487,752	436,572	280,974	207,372	128,593	96,358
400,609	350,524	216,999	155,741	84,264	62,035
1,887	1,888	1,894	1,340	900	671
35	23	10	4	1	1
402,531	352,435	218,903	157,085	85,165	62,707
85,221	84,137	62,071	50,287	43,428	33,651
15,347	9,515	7,225	6,035	4,378	3,191
69,874	74,622	54,846	44,252	39,050	30,460
16,626	17,123	13,251	12,792	9,083	6,340
86,500	91,745	68,097	57,044	48,133	36,800
47,696	39,285	32,260	26,795	20,687	15,042
3,688	3,179	2,607	2,121	1,852	1,195
11,441	10,157	7,629	6,380	4,703	3,502
19,641	16,166	14,749	13,076	11,892	9,180
82,466	68,787	57,245	48,372	39,134	28,919
4,034	22,958	10,852	8,672	8,999	7,881
(7,700)	5,632	1,524	2,057	3,676	3,361
11,734	17,326	9,328	6,615	5,323	4,520
—	—	—	9	9	8
\$ 11,734	\$ 17,326	\$ 9,328	\$ 6,606	\$ 5,314	\$ 4,512
\$ 9,993	\$ 15,550	\$ 8,104	\$ 6,606	\$ 5,314	\$ 4,512
3,983,692	3,471,072	3,063,326	3,029,436	2,575,032	2,017,484
\$ 2.51	\$ 4.48	\$ 2.65	\$ 2.18	\$ 2.06	\$ 2.24
0.72	0.64	0.56	0.50	0.44	0.40
25.25	25.00	24.00	19.44	19.75	15.32
11.00	19.63	13.63	14.00	13.50	10.44
16.00	22.06	19.00	14.25	19.00	14.44
23.33	25.37	21.85	19.47	17.55	16.45
7.2	5.0	7.1	7.7	8.1	5.8
4.0 %	2.9 %	3.0 %	3.0 %	2.6 %	3.1 %
.37%	.66%	.44%	.37%	.41%	.45%
10.1%	19.4 %	12.9 %	12.1 %	12.4 %	14.2 %
26.1:1	24.9:1	24.7:1	31.1:1	27.5:1	28.4:1
9,757	9,616	9,588	9,837	10,077	10,004
51	51	47	45	43	35

4. The average of the high and low share price for the year divided by earnings per share.
5. Dividends per share divided by the average of the high and low share price.
6. Net income (loss) divided by average assets for the fiscal year.
7. Net income (loss) less preferred dividend obligations divided by average capital and reserves less preferred shares issued.
8. Total deposits to total capital and reserves at fiscal year end.
9. Bank of British Columbia common shareholders at fiscal year end.

Eight Year Statistical Review

Consolidated Statement of Appropriations for Contingencies

Year Ended October 31
(in thousands of dollars)

	1984	Pro Forma 1984	1983
Balance at beginning of year	\$ 3,702	\$ 3,702	\$15,324
Provision for loan losses included in the Consolidated Statement of Income	37,881	37,881	22,703
Loss experience on loans	(85,370)	(85,370)	(51,325)
Transfer from retained earnings	—	—	17,000
Balance at end of year	\$ (43,787)	\$ (43,787)	\$ 3,702

Consolidated Statement of Changes in Shareholders' Equity

Year Ended October 31
(in thousands of dollars)

	1984	Pro Forma 1984	1983
CAPITAL STOCK:			
Balance at beginning of year:			
Preferred shares	\$ 38,348	\$ 38,348	\$18,928
Common shares	25,848	25,848	20,848
Issued during the year			
— preferred shares	—	—	20,000
— common shares	—	86,674	5,000
Transfer from contributed surplus			
— common shares	46,377	46,377	—
Purchased for cancellation			
— preferred shares	(678)	(678)	(580)
Balance at end of year	\$109,895	\$196,569	\$64,196

CONTRIBUTED SURPLUS:

Balance at beginning of year	\$ 46,633	\$ 46,633	\$34,564
Additions from common stock issued	—	—	12,000
Gain on preferred shares purchased for cancellation	—	—	69
Transfer to capital stock	(46,377)	(46,377)	—
Transfer to retained earnings	(256)	(256)	—
Balance at end of year	\$ —	\$ —	\$46,633

RETAINED EARNINGS:

Balance at beginning of year	\$ 20,971	\$ 20,971	\$26,555
Prior period adjustment	—	—	—
Net income (loss)	(6,990)	(6,990)	12,126
Dividends			
— preferred shares, Series A	(2,052)	(2,052)	(1,702)
— preferred shares, Series B	(2,220)	(2,220)	(541)
— common shares	(1,861)	(1,861)	(3,182)
Unrealized exchange gain on investments in foreign subsidiaries, net of income taxes	285	285	—
Transfer from contributed surplus	256	256	—
Gains and losses on disposal of securities	—	—	—
Income taxes related to loss experience of subsidiaries	214	214	414
Gain on preferred shares purchased for cancellation	54	54	—
Expenses related to issues of preferred and common shares, net of income taxes	(2)	(46)	(698)
Transfer to appropriations for contingencies	—	—	(17,000)
Income taxes related to the above transfer	—	—	4,999
Balance at end of year	\$ 8,655	\$ 8,611	\$20,971

1982	1981	1980	1979	1978	1977
\$21,970	\$13,789	\$12,236	\$ 8,760	\$ 6,946	\$ 5,234
15,347	9,515	7,225	6,035	4,378	3,191
(27,993)	(9,038)	(6,692)	(6,210)	(5,116)	(3,331)
6,000	7,704	1,020	3,651	2,552	1,852
\$15,324	\$21,970	\$13,789	\$12,236	\$ 8,760	\$ 6,946

1982	1981	1980	1979	1978	1977
\$19,183	\$19,868	\$ —	\$ —	\$ —	\$ —
17,869	15,316	15,316	14,788	11,920	9,464
—	—	20,000	—	—	—
2,979	2,553	—	528	2,868	2,456
—	—	—	—	—	—
(255)	(685)	(132)	—	—	—
\$39,776	\$37,052	\$35,184	\$15,316	\$14,788	\$11,920

\$25,235	\$19,401	\$19,401	\$18,343	\$13,114	\$10,198
9,232	5,744	—	1,058	5,229	2,916
97	90	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$34,564	\$25,235	\$19,401	\$19,401	\$18,343	\$13,114

\$25,599	\$18,416	\$12,701	\$ 9,579	\$ 6,905	\$ 4,093
—	—	—	—	—	52
11,734	17,326	9,328	6,606	5,314	4,512
(1,744)	(1,784)	(995)	—	—	—
—	—	—	—	—	—
(2,895)	(2,240)	(1,715)	(1,515)	(1,157)	(810)
—	—	—	—	—	—
—	—	—	—	—	—
—	(733)	(68)	(149)	(4)	174
—	—	—	—	—	—
—	—	—	—	—	—
(139)	(132)	(342)	—	(211)	(197)
(6,000)	(7,704)	(1,020)	(3,651)	(2,552)	(1,852)
—	2,450	527	1,831	1,284	933
\$26,555	\$25,599	\$18,416	\$12,701	\$ 9,579	\$ 6,905

Seven Year Statistical Review

Consolidated Statement of Changes in Financial Position Year Ended October 31 (in thousands of dollars)

	1984	Pro Forma 1984
FUNDS DERIVED FROM:		
Operations:		
Net income (loss)	\$ (6,990)	\$ (6,990)
Items included in net income (loss) not requiring the use of funds:		
Provision for loan losses	37,881	37,881
Depreciation	3,771	3,771
Amortization of other assets	400	400
Deferred income taxes	(16,073)	(16,073)
Total from operations	18,989	18,989
Other items:		
Decrease in:		
Cash and deposits with Bank of Canada	—	—
Deposits with other banks	30,033	30,019
Cheques and other items in transit, net	45,932	46,393
Securities	2,886	5,126
Loans, net	—	—
Lease financing	370	370
Other assets	5,578	—
Increase in:		
Deposits	93,741	177,728
Other liabilities	14,529	16,969
Issue of Bank debentures	—	—
Capital stock issues	—	86,674
Tax credit related to appropriations	—	—
Tax credit related to loss experience of subsidiaries	214	214
Unrealized exchange gain on investments in foreign subsidiaries, net of income taxes	285	285
Total	\$212,557	\$382,767
FUNDS APPLIED TO:		
Loss experience on loans	\$ 85,370	\$ 85,370
Other items:		
Increase in:		
Cash and deposits with Bank of Canada	780	168
Deposits with other banks	—	—
Cheques and other items in transit, net	—	—
Securities	—	—
Loans, net	110,003	243,483
Lease financing	—	—
Land, buildings and equipment	3,626	3,626
Other assets	—	37,298
Decrease in:		
Deposits	—	—
Other liabilities	—	—
Dividends	6,133	6,133
Retirement of Bank debentures	6,019	6,019
Redemption of preferred shares	624	624
Share issue expenses, net of income taxes	2	46
Income taxes related to gains and losses on disposal of securities	—	—
Total	\$212,557	\$382,767

1983	1982	1981	1980	1979	1978
12,126	\$ 11,734	\$ 17,326	\$ 9,328	\$ 6,606	\$ 5,314
22,703	15,347	9,515	7,225	6,035	4,378
2,726	2,175	1,671	987	1,206	967
481	234	231	85	74	7
(444)	(8,472)	5,453	1,290	1,745	1,740
37,592	21,018	34,196	18,915	15,666	12,406
—	—	24,115	—	22,085	—
58,584	—	—	—	13,320	—
—	17,312	—	67,404	—	59,356
39,628	200	—	—	—	15,848
04,532	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	301,093	592,192	286,530	435,886	314,254
—	—	28,154	10,407	8,198	2,917
—	—	—	—	10,000	6,000
37,000	12,211	8,297	20,000	1,586	8,097
4,999	—	2,450	527	1,831	1,284
414	—	—	—	—	—
—	—	—	—	—	—
32,749	\$351,834	\$689,404	\$403,783	\$508,572	\$420,162
51,325	\$ 27,993	\$ 9,038	\$ 6,692	\$ 6,210	\$ 5,116
14,386	4,552	—	33,896	—	41,908
—	35,258	5,938	42,842	—	82,764
41,575	—	5,027	—	64,633	—
—	—	48,887	29,931	98,743	—
—	221,702	577,654	274,522	324,220	275,029
72	26,901	11,687	5,438	—	—
5,945	7,400	9,011	5,092	2,887	3,934
4,953	3,968	16,660	2,098	10,204	5,490
34,644	—	—	—	—	—
23,204	19,100	—	—	—	—
5,425	4,639	4,024	2,710	1,515	1,157
11	24	18	20	11	4,549
511	158	595	132	—	—
698	139	132	342	—	211
—	—	733	68	149	4
82,749	\$351,834	\$689,404	\$403,783	\$508,572	\$420,162

Board of Directors

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Chief Executive Officer*

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*Kelowna, B.C.
President
Okanagan Holdings Ltd.*

Officers of Bank of British Columbia

EDGAR F. KAISER, JR.
*Chairman, President &
Chief Executive Officer*

VICTOR DOBB
Executive Vice-President

GORDON R. WALLACE
Executive Vice-President

Senior Vice-Presidents

HENRY J. BOW
International Division

HELMUT C. HARTMANN
Corporate Banking

ARNOLD E. MILES-PICKUP
Finance & Administration

EINAR N. MYRHOLM
*Manager,
Edmonton Main Office*

JOHN A. THOMAS
Controller

Vice-Presidents

EARL V. ANDRUSIAK
Credit

R.J. BUCHANAN
*Manager,
Calgary Main Office*

HUGH DALGLEISH
Chief Inspector

ANDREW K.C. EE
*Chief Dealer,
International Division*

W. ALAN FRANKLIN
*Systems & Information
Processing*

P. NEIL McEACHERN
Administration & Operations

PHILIP A. PEPIN
*Manager,
Burrard & Hastings*

MICHAEL S. ROGERS
Domestic Banking

PETER H. STAFFORD
General Counsel & Secretary

JAMES D. STODDART
Leasing

THOMAS B. WELSH
*Energy (Calgary),
Corporate Banking*

RAYMOND L. YOUNG
Credit

Bank of British Columbia Offices & Branches

Head Office

1235 Two Bentall Centre
555 Burrard Street
Vancouver, B.C.
V7X 1K1

Corporate Banking

Energy Department
Calgary, Alberta
3090 Bow Valley Square II
#205 - 5th Avenue S.W.

Representative Office
Los Angeles, California
707 Wilshire Boulevard

International Banking

International Agency
San Francisco, California
300 Montgomery Street,
Suite 735

European Representative Office
London, England
27-32 Old Jewry

British Columbia Financial
Corp. (H.K.) Limited
3407 Gloucester Tower
The Landmark
11 Pedder Street, Hong Kong

Cayman Islands Branch
P.O. Box 2198
Transnational House
Grand Cayman
Cayman Island
British West Indies

British Columbia Branches

VANCOUVER & LOWER MAINLAND

999 West Hastings Street

Broadway & Ash
U4-601 West Broadway

Burnaby
5210 Kingsway

Burnaby
9952 Lougheed Highway

Burnaby
4106 East Hastings Street

Chinatown
601 Main Street

1010 Denman Street

Fraser & 48th
6373 Fraser Street

937 West Georgia Street

Granville & 12th
2735 Granville Street

Hastings & Penticton
2590 East Hastings Street

Kerrisdale
2164 West 41st Avenue

Kingsway & Senlac
3398 Kingsway

New Westminster
731 Columbia Street, W.

New Westminster
504-6th Street

North Delta
8701-120th Street

North Vancouver
1457 Lonsdale Avenue

Port Coquitlam
41 Poco Place
2755 Lougheed Highway

Richmond
6800 No. 3 Road

Surrey
10241 King George Highway

10th & Sasamat
4480 West 10th Avenue

West Vancouver
1578 Marine Drive

White Rock
1493 Johnston Road

FRASER VALLEY

Abbotsford
33700 Essendene Avenue

Chilliwack
9345 Main Street

Haney
11955-224th Street

Langley
20437 Fraser Highway

INTERIOR/NORTHERN B.C.

Cranbrook
928 Baker Street

Kamloops
380 Victoria Street

Kelowna
384 Bernard Avenue

Penticton
294 Main Street

Vernon
3321 Barnard Avenue

Prince George
201 Victoria Street

VANCOUVER ISLAND

Victoria
Main
752 Fort Street

Douglas & Hillside
2640 Douglas Street

Douglas & Johnson
1327 Douglas Street

Nanaimo
70 Commercial Street

Campbell River
1000 Shoppers Row

Alberta Branches

CALGARY

Main
444-5th Avenue S.W.

Alberta Place
1530-4th Street S.W.

15th & Centre Street
1511 Centre Street N.W.

Forest Lawn
3620-17th Avenue S.E.

74th & Macleod Trail
7403 Macleod Trail S.W.

EDMONTON

Main
10561 Jasper Avenue

82nd & 104th
8139-104th Street

97th & 130th
13043-97th Street

118th & 82nd
8204-118th Avenue

Jasper Place
15103 Stony Plain Road

Grande Prairie
10139-100th Avenue

Lethbridge
326-5th Street South

